

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2005-10 to M/s. Silica Ceramica (P) Limited, for Ceramic Vitrified & Glazed Tiles unit at Narayanapuram Village, Ungutur Mandal, West Godavari District – Orders- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 48

Dated:18-06-2011

Read the following:-

1. From the Director M/s. Silica Ceramica (P) Limited, Narayanapuram Village, Ungutur Mandal, West Godavari District Letter 2.2.2011.
2. G.O.Ms.No.50, Industries & Commerce (IP) Department, Dated 11.02.2009 and read with vide G.O.Ms.No.8, Ind. & Com. (IP) Dept. Dated : 28.01.2011
3. Govt. Memo No.1653 /IP/A2/2011 dated 8.02.2011
4. State Investment Promotion Committee Meeting held on 10.02.2011
5. State Investment Promotion Board Meeting held on 23.02.2011.

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ORDER:-

In the reference 1st read above, the Director of M/s. Silica Ceramica (P) Limited informed that M/s. Silica Ceramica (P) Ltd. is a Joint Venture Company of M/s. H & R . Johnson (India) Ltd., a Division of Prism Cement Limited and they proposed to set up “Ceramic Vitrified & Glazed Tiles” unit at Narayanapuram Village, Ungutur Mandal, West Godavari District with an investment of Rs. 172.88 Crs in three phases with a Capacity of 25,500 Sq. Mtrs per day and having potential to create direct and indirect employment to 950 and 900 persons respectively.

2. The 1st Phase of the project with an investment of Rs. 48.74 Crores have commenced its production in March 2009 and phase II & III are expected to be commissioned in March & December 2011 respectively. The Company has requested for recommending their proposal for Mega Project Status considering the investment proposed in all the phases i.e., 172.88 Crs. and to sanction the following special package of incentives from the expected date of commencement of production of Phase- II i.e., w.e.f. 31-03-2011.

- (a) 100% VAT and CST refund for 5 years w.e.f. 31-03-2011(i.e., expected date of commencement of commercial production of Phase-II)
- (b) Power cost reimbursement @ flat rate of Rs. 0.75 per unit for a period of 7 years w.e.f. 31-03-2011
- (c) 75% Infrastructure assistance under IIDF with a maximum limit of Rs. 2.00 Crs. as Silica is located in a very remote village area and not in declared industrial area.
- (d) Special and preferential allotment of Silica's Natural Gas requirement from the AP State's quota (As the Company is already paying Rs. 1.75 Lakhs per month as transmission charges to GAIL without getting gas supply and is in the process of installing Co-generation Gas turbine Plant at a cost of Rs. 15 Crs.).

3. In the G.O. 2nd read above, Government has issued orders extending the existing cut off date from 30.06.2010 to 31.03.2012 for commencement of commercial production by Mega Projects, which are under Pipeline status under IIPP 2005-10.

4. State Investment Promotion Committee (SIPC) have discussed the above proposal and decided to place the matter before the State Investment Promotion Board (SIPB) with the recommendations of the SIPC.

5. State Investment Promotion Board in its meeting held on 23.02.2011 discussed the proposal in detail and decided to extend the following incentives to the Company:

- (a) 50% VAT & CST/SGST reimbursement and Power Cost Reimbursement of @ Rs. 0.75 (maximum) for 5 years from the date of commissioning of II phase of the Project subject to condition that the unit should invest Rs. 100 Crores and above; and
- (b) All other incentives as per the IIPP 2005-10 Policy.

(P.T.O)

6. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives/ benefits to M/s.Silica Ceramica Private Limited, for Ceramic Vitrified & Glazed Tiles unit at Narayanapuram Village, Ungutur Mandal, West Godavari District after completion of 2nd Phase under the Pipeline Scheme of Industrial Investment Promotion Policy 2005-10 :-

- (a) To extend 50% VAT & CST/SGST reimbursement and Power Cost Reimbursement of @ Rs. 0.75 (maximum) for 5 years from the date of commissioning of II phase of the Project subject to condition that the unit should invest Rs. 100 Crores and above.
 - (b) To extend other incentives as per the IIPP 2005-10 Policy, which include:
 - (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use
 - (ii) 100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages etc.
 - (iii) Infrastructure like roads, power and water will be provided at door step of the Industry for stand alone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore as per guidelines,
 - (iv) 50% subsidy on the expenses incurred for quality certification limited Rs.1.00 Lakh
 - (v) 25% subsidy on cleaner production measures limited to Rs.5.00 Lakhs
 - (vi) 50% subsidy on the expenses incurred for patent registration limited to Rs.5.00 Lakhs
 - (c) The unit shall commence its commercial operations on or before 31st March 2012 to avail the above incentives/benefits under the pipeline scheme for Mega Projects of IIPP 2005-10. The Company shall give preference to locals in providing employment in the plant.
7. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and instruct the General Manager, District Industries Centre, West Godavari to intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.S. APPARAO
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, A.P., Hyderabad.

M/s.Silica Ceramica Private Limited, West Godavari District, through the COI, Hyd.

The District Collector, West Godavari, Eluru.

Copy to:

The Revenue (CT/ Reg.) Department./The Energy Department./The Ind. & Com. (INF) Dept.

The Fin.(I&C) Dept./The Law Dept. /The Irrgn. &CAD(PW. Reforms) Dept,

The Accountant General, A.P. Hyd.

The Commissioner for Commercial Taxes, AP, Hyd/ The VC &MD, APIIC

The CMD, APTRANSCO/The General Manager, District Industries Centre, West Godavari

District /The PS to Secy. to C.M./ The PS to Minister Major Industries,

The P.S. to C.S. to Govt., The PS to Principal Secretary & CIP, Ind. & Com. Dept.

SF/SC

// Forwarded:: By:: Order //

SECTION OFFICER